

**Texas Commission on Environmental Quality (TCEQ)
Texas Emissions Reduction Plan (TERP)**

**NEW TECHNOLOGY IMPLEMENTATION GRANT (NTIG) PROGRAM
Request for Grant Applications (RFGA)
Fiscal Year Biennium 2020-2021**

**Grants for Projects to Offset the
Incremental Cost of Emissions Reductions
of Pollutants from Facilities and Other
Stationary Sources in Texas**

SOLICITATION NO. 582-20-13118-NG



A PROGRAM OF TCEQ

July 7, 2020

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)
AIR GRANTS DIVISION
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P.O. BOX 13087
AUSTIN, TEXAS 78711-3087
1-800-919-TERP (8377)
TERP@TCEQ.TEXAS.GOV**

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Applications will be accepted for consideration during this grant period only if received and date-stamped at the front desk, Rm. 1301, 1st floor of Building F on the premises of the TCEQ, (12100 Park 35 Circle, Austin, TX, 78753) or via electronic mail to TERP@tceq.texas.gov by no later than **5:00 p.m., Central Standard Time, October 7, 2020**. Applications received in the TCEQ mail room on this date are not guaranteed to be delivered to Building F, Room 1301 by the required deadline, so applicants are highly encouraged to plan their submissions accordingly. In addition, the award of a NTIG grant is dependent on the availability of funding and the TCEQ may suspend the acceptance of applications prior to this closing date. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

There will be no pre-proposal conference.

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**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)
TEXAS EMISSIONS REDUCTION PLAN (TERP)
NEW TECHNOLOGY IMPLEMENTATION GRANT (NTIG) PROGRAM
REQUEST FOR GRANT APPLICATIONS (RFGA)
FISCAL BIENNIUM 2020-2021**

1.0 INVITATION

The Texas Commission on Environmental Quality (TCEQ) invites applications for the NTIG program including Electricity Storage, Advanced Clean Energy, New Technology, and Oil and Gas-related projects.

1.1 PURPOSE

The primary objective of the NTIG program is to offset the incremental cost of emissions reductions of pollutants from facilities and other stationary sources in Texas.

The NTIG program is established under Chapter 391 of the Texas Health and Safety Code. The grant program is implemented by TCEQ under the authority of Texas Water Code Section 5.124 and Title 30, Chapter 14 of the Texas Administrative Code (30 TAC 14) related to Grants. The TCEQ has adopted the *Texas Emissions Reduction Plan: Guidelines for the NTIG Program* (guidelines) which contain standards governing this program. Copies of the rules and guidelines are available at the Texas Emission Reduction Plan (TERP) website www.terpgrants.org.

1.2 NTIG GOALS

The goals of the NTIG are to:

- Improve the quality of air in Texas in order to meet federal standards established under the Federal Clean Air Act (42 U.S.C. Section 7407);
- Facilitate the implementation of new technologies to reduce emissions from facilities and other stationary sources in this state.

1.3 PROGRAM ALIGNMENT

The TCEQ will evaluate project proposals according to the eligibility requirements and scoring criteria included in this RFGA. During the review and scoring process, projects that are most aligned with the program goals will receive more program alignment points. The elements of program alignment include:

- Emissions reductions capability;
- The implementation plan;
- The compliance history of the applicant and other related facilities;
- The extent to which the proposed project would advance NTIG and air quality goals, outlined in Section 1.2 of this document.

2.0 FUNDING

The total amount to be awarded under this grant program will depend upon the amount of revenue received into the TERP account. TCEQ may award approximately \$4.6 million under this solicitation, of which at least \$1 million will be available for electricity storage projects related to renewable energy. The TCEQ will not be obligated to select project proposals to cover the full amount of expected or available funding.

The TCEQ may select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal and reserves the right to cancel the RFGA without awarding any grant funds.

3.0 ELIGIBLE APPLICANTS

Owners or operators of stationary sources that emit pollutants, or of electricity storage projects related to renewable energy, may apply for a grant. Only applicants in Texas are eligible for funding under the program. However, in some circumstances, the TCEQ may allow a person other than the owner to apply for and receive a grant. Applicants must provide evidence of operational control of the facility in the application and for the duration of the contract, continuing after the TCEQ has paid the final reimbursement. If an applicant is unable to provide evidence of operational control of the facility, the applicant must contact the TCEQ to determine whether they may be considered eligible for a grant before submitting the application.

The TCEQ may consider an application or award a grant prior to receipt of evidence of operational control of the facility and may issue a limited Notice to Proceed (NTP) pending proof of operational control by the applicant. All applicants must certify that the entity is in compliance with all applicable Texas laws.

If the applicant plans to subcontract any work, applicants are encouraged to identify activities that could be performed by historically underutilized businesses (HUB). The TCEQ's Purchasing Section and HUB Development Section maintains current lists of certified HUB vendors and can assist applicants in identifying potential HUB subcontractors.

4.0 ELIGIBILITY CRITERIA

All project categories included under this NTIG solicitation require that the applicant demonstrate reasonable evidence that the proposed technology is capable of providing a significant reduction in emissions. In performing emissions reductions calculations or emissions calculations in general, NTIG applicants may refer to the Environmental Protection Agency's (EPA) AP-42 Compilation of Air Pollutant Emission Factors for guidance. The TCEQ acknowledges that each grant proposal may be unique, so the applicant may select the best available and most accurate methodology to provide calculations. The TCEQ's Office of Air, Air Permits Division will review all emissions data provided by the applicant and will assess the accuracy of the data and whether the applicant used an appropriate methodology.

For emissions reductions capability, applicants should also address the processes used by the facility, the fuel or feedstock used, and other attributes of the project that enhance this capability. Any claims of emissions reductions must be supported by the information provided in the application. All calculations should be thoroughly documented in the application.

An activity is not eligible under any of the following project categories if it is required by state or federal law, rule, regulation, memorandum of agreement, or any other binding document, unless approved by the TCEQ.

4.1 ELECTRICITY STORAGE PROJECTS FOR RENEWABLE ENERGY

Activities eligible for funding under this category must meet the following requirements:

- Applicant must propose an electricity storage project with rated power of one (1) megawatt (MW) or greater, and clearly demonstrate that it is related to renewable energy in Texas. These projects may include electricity storage produced from wind, solar, or other renewable generation that provides an efficient means of making stored energy available during periods of peak energy use.

4.2 ADVANCED CLEAN ENERGY PROJECTS FOR NEW OR MODIFIED SOURCES

Activities eligible for funding under this category are those that implement new technologies to reduce emissions from stationary sources, including:

4.2.1 Projects that involve the generation of electricity using at least one of the following fuels:

- Coal
- Biomass
- Natural Gas
- Petroleum Coke
- Solid Waste
- Fuel cells which use derived hydrogen

4.2.2 Creation of liquid fuel outside of the existing fuel production infrastructure while co-generating electricity

All Advanced Clean Energy projects must meet the following minimum requirements:

- TCEQ must have received on or after January 1, 2008, and before January 1, 2020, an application for a permit, or for an authorization to use a standard permit, for the facility in this application.

- Applicant must be the owner or licensed operator of the facility located in Texas or have received written approval from the TCEQ to apply for a grant.
- Applicant must use the program-designated baseline example for all emission reduction calculations if a new facility.
- Project must meet the minimum emissions reductions requirements listed directly below:
 - **Sulfur dioxide (SO₂)**
 - A 99 percent (%) or greater reduction of SO₂ emissions on an annual basis, or
 - if the project is designed for the use of feedstock, substantially all of which is sub-bituminous coal, an emission rate of 0.04 lbs. SO₂ or less per million British thermal units (MMBtu) as determined by a 30-day average, or
 - if the project is designed for the use of one or more combustion turbines that burn natural gas, a SO₂ emission rate that meets best available control technology requirements as determined by TCEQ.
 - **Mercury (Hg)**
 - A 95% or greater reduction of Hg emissions on an annual basis, or
 - if the project is designed for the use of one or more combustion turbines that burn natural gas, a mercury emission rate that complies with applicable federal requirements.
 - **Nitrogen oxide (NO_x)**
 - An annual average NO_x emission rate of 0.05 lbs. or less per MMBtu, or
 - if the project uses gasification technology, an annual average NO_x emission rate of 0.034 lbs. or less per MMBtu, or
 - if the project is designed for the use of one or more combustion turbines that burn natural gas, an annual average NO_x emission rate of two parts per million by volume.
 - **Particulate Matter (PM)**
 - An annual average emission rate for filterable PM of 0.015 lbs. or less per MMBtu.
 - **Carbon Dioxide (CO₂)**
 - Projects in this category must also capture not less than 50% of the CO₂ in the portion of the emissions stream from

the facility that is associated with the project and sequester that captured CO₂ by geologic storage or other means.

- An applicant must demonstrate an achieved reduction from the baseline emissions adopted by the TCEQ for the relevant source. If one does not exist, the TCEQ shall adopt an appropriate baseline emissions level for comparison purposes. This is applicable only for the Advanced Clean Energy and New Technology project categories.
 - For an existing facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the historical emissions of that particular facility.
 - For a new facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the baseline adopted by the TCEQ, detailed below. Only new facilities can use this baseline for comparison purposes. This baseline covers only those pollutants listed in this section that require a percentage reduction. Other pollutants in this section require a specific, target emissions rate, and are not covered by this baseline.
 - Baseline emissions levels:
 - Mercury (Hg) – 95% reduction from [1.75 * 10E-4] pounds per million British thermal units (lbs. / MMBtu)
 - Sulfur dioxide (SO₂) – 99% reduction from [4.0 lbs. / MMBtu]

4.3 NEW TECHNOLOGY PROJECTS THAT REDUCE EMISSIONS OF REGULATED POLLUTANTS FROM STATIONARY SOURCES

Applications under this category must meet the following minimum requirements:

- Applicant must be the owner or licensed operator of the facility located in Texas or have received written approval from the TCEQ to apply for a grant.
- Project must reduce emissions of regulated pollutants from stationary sources. Regulated pollutants include but are not limited to:
 - criteria pollutants;
 - hazardous air pollutants (HAPs);
 - any other pollutants regulated under the Federal Clean Air Act; and
 - any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders
- An applicant must demonstrate an achieved reduction from the baseline emissions adopted by the TCEQ for the relevant source. If one does not exist, the TCEQ shall adopt an appropriate baseline emissions level for comparison purposes. This is applicable only for the Advanced Clean Energy and New Technology project categories.

- For an existing facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the historical emissions of that particular facility.
- For a new facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the baseline adopted by the TCEQ, detailed below. Only new facilities can use this baseline for comparison purposes. This baseline covers only those pollutants in section 4.2 of this RFGA that require a percentage reduction. Other pollutants in section 4.2 require a specific, target emissions rate, and are not covered by this baseline.
- Baseline emissions levels:
 - Mercury (Hg) – 95% reduction from $[1.75 \times 10^{-4}]$ pounds per million British thermal units (lbs. / MMBtu)
 - Sulfur dioxide (SO₂) – 99% reduction from [4.0 lbs. / MMBtu]

4.4 NEW TECHNOLOGY PROJECTS THAT REDUCE EMISSIONS FROM UPSTREAM AND MIDSTREAM OIL AND GAS INDUSTRY ACTIVITIES

The TCEQ will consider applications for new technology projects that reduce emissions from upstream and midstream oil and gas industry activities, including production, completions, gathering, storage, processing, and transmission, through one of the methods listed below.

441 STATIONARY COMPRESSOR ENGINES

The TCEQ will consider applications for the replacement, repower, or retrofit of stationary compressor engines used in upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities. The grant may not be used for activities to comply with federal or state emission standards, as the emissions reductions would not be surplus. Therefore, if federal or state standards apply to stationary compressors and engines being replaced, repowered, or retrofitted, those standards should be used as the baseline for comparison.

For all stationary compressor engine projects, the TCEQ will evaluate whether the equipment being replaced would have otherwise been used in Texas for the period within which the emissions reductions will be claimed.

Unless a waiver is granted by the TCEQ, the standards that apply are listed below.

- The applicant must have continuously owned the equipment for a minimum of two years immediately preceding the grant application date.
- The applicant must provide proof of ownership, which may include a copy of the bill of sale, maintenance records, or in some cases a title.
- The equipment must have been continuously located and used in Texas, in its primary function in the routine operations of the applicant, for the two years immediately preceding the grant application date and be

capable of performing its primary function for the duration of the project activity life (five years) at the time the application is submitted.

The TCEQ may waive the two-year ownership requirement, case by case, where the ownership of the company has changed, the assets of the company have been purchased by another company, or the company has changed its name or incorporation status. The use of the compressor being replaced must not have changed.

The TCEQ may waive the requirement for two years of continuous use for short lapses in operation attributable to economic conditions, seasonal work, or other circumstances, based on a finding of good cause.

Applicants should contact the TCEQ if a waiver will be requested, prior to submission of the application.

a) Replacement of Stationary Compressor

This category is for the replacement of a stationary compressor with a new or newer compressor. For this category, the applicant must be replacing a compressor with a minimum of five years of remaining useful life.

The baseline for comparison of emissions is the difference between the emissions of the compressor being replaced and those of the compressor being purchased.

For replacement projects, the emissions reductions are based on replacement of the future use of the original compressor with the use of the reduced-emission equipment. The estimated future use of the original compressor is determined from recent historical use and should not exceed the average annual use of the equipment being replaced for the two years preceding the application.

The engine must be certified to emit at least 25% less NO_x compared with the engine being replaced, based on the federal standard for that engine. "Certification" means approval by the EPA or the California Air Resources Board (CARB), or acceptance on other grounds by the TCEQ.

In general, for engines being replaced that have not been subject to certification standards, the TCEQ may consider a baseline emission rate based on the standards used for non-road engines. The TCEQ may also consider in-use test data provided by the applicant.

The replacement equipment must be of the same type and horsepower and be intended for use in the same application or vocation as the equipment being replaced. The TCEQ may accept, based on the particular case, equipment of a different type to account for the latest technology used for a specific vocation. In addition, the TCEQ may accept, case by case, the replacement of a multi-engine piece of equipment with a single-engine piece of equipment, or vice versa, as long as the new piece of equipment will have the same use as the piece of equipment being replaced and the emissions reductions can be adequately determined.

The grant recipient may be eligible for reimbursement of up to 50% of the implementation cost of the purchase of the replacement equipment. The

implementation cost is the cost to purchase the replacement equipment. Eligible costs are listed below.

- Capital Costs – Equipment. Invoice cost or cash basis for the lease costs of the equipment, including taxes, duty, protective in transit insurance, and freight charges.

b) Repower of Stationary Compressor

This category is for the replacement of an existing engine on a stationary compressor with a new, rebuilt, or remanufactured engine, or one or more electric motors, drives, or fuel cells. The upgrade of an engine with an emissions upgrade kit certified by the EPA or CARB may also be considered under the repower category.

The engine must be certified to emit at least 25% less NO_x compared with the engine being replaced, based on the federal standard for that engine.

“Certification” means approval by the EPA or the CARB, or acceptance on other grounds by the TCEQ.

In general, for older engines being repowered that were not subject to certification standards, the TCEQ may consider a baseline emission rate based on the standards used for non-road engines. The TCEQ may also consider in-use test data provided by the applicant.

The TCEQ may also consider the conversion of a currently installed engine to operate on a different fuel or to install an emissions-upgrade kit under the repower category.

Eligible rebuilt or remanufactured engines must use only components from the original engine manufacturer (OEM) and be purchased from the OEM or its authorized dealers and distributors. However, the TCEQ may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.

The grant recipient may be eligible for reimbursement of up to 50% of the implementation cost of the purchase and installation of the repowered engine. The implementation cost is the cost to purchase and install the replacement engine and associated equipment.

- Capital Costs – Equipment and Installation
 - Invoice cost of the repowered engine, including taxes, duty, protective in-transit insurance, and freight charges.
 - Invoice cost of additional equipment with a per unit acquisition cost of \$5,000 or more and that is necessary for the completion of the repower project.
 - Installation costs, including the cost to remove and dispose of the old engine, if needed. Installation costs may include costs to re-engineer the equipment for the new engine to fit. Technical design, testing, and other engineering services required as part of the installation work should also be listed under this subcategory.

- Supplies – Invoice cost of equipment and materials not included as part of the engine with an acquisition cost of less than \$5,000 that are necessary for the repower of the equipment.

c) Retrofit or Add-on of Emissions-Reduction Technology

This category is for the retrofit of an existing engine on a stationary compressor, or for adding devices onto the equipment.

To be eligible for funding, the retrofit or add-on systems must be verified to emit at least 25% less NO_x compared with the engine prior to the retrofit or add-on. “Verification” means approval by the EPA or the CARB, or acceptance on other grounds by the TCEQ.

In general, for the older engines being retrofitted that were not subject to stationary engine certification standards, the TCEQ may consider a baseline emission rate based on the standards used for non-road engines. The TCEQ may also consider in-use test data provided by the applicant.

The grant recipient may be eligible for reimbursement of up to 50% of the implementation cost of the purchase and installation of the retrofit and/or add-on technology. If the engine is to be rebuilt to install the emission-reduction devices, the implementation cost is the difference between the cost of rebuilding the existing engine and the cost of rebuilding the engine to include the retrofit or add-on technology. If the engine does not need to be rebuilt in conjunction with installing the new technology, then the implementation cost will be the full cost of purchasing and installing the technology. Eligible costs are listed below.

- Capital Costs – Equipment and Installation
 - Invoice cost of the retrofit equipment, including taxes, duty, protective in-transit insurance, and freight charges.
 - Invoice cost of additional equipment with a per unit acquisition cost of \$5,000 or more and which is necessary for the completion of the retrofit project.
 - Installation costs may include costs to re-engineer the equipment for the retrofit system to fit. Technical design, testing, and other engineering services required as part of the installation work should also be listed under this subcategory.
- Supplies – Invoice cost of equipment and materials not included as part of the retrofit system itself with an acquisition cost of less than \$5,000 which are necessary for the retrofit of the equipment.

442 Control Loss, Flaring, or Burning of Gas

The TCEQ will consider applications for the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using other combustion control devices.

Applications under this category must meet the following minimum requirements:

- Applicant must be the owner or licensed operator of the facility located in Texas or have received written approval from the TCEQ to apply for a grant.
- Project must reduce emissions of regulated pollutants from stationary sources. Regulated pollutants include but are not limited to:
 - criteria pollutants;
 - hazardous air pollutants (HAPs);
 - any other pollutants regulated under the Federal Clean Air Act; and
 - any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders
- An applicant must demonstrate an achieved reduction from the baseline emissions adopted by the TCEQ for the relevant source. If one does not exist, the TCEQ shall adopt an appropriate baseline emissions level for comparison purposes.
 - For an existing facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the historical emissions of that particular facility.
 - For a new facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the baseline adopted by the TCEQ, detailed below. Only new facilities can use this baseline for comparison purposes. This baseline covers only those pollutants in section 4.2 of this RFGA that require a percentage reduction. Other pollutants in section 4.2 require a specific, target emissions rate, and are not covered by this baseline.
 - Baseline emissions levels:
 - Mercury (Hg) - 95% reduction from $[1.75 * 10E-4]$ pounds per million British thermal units (lbs. / MMBtu)
 - Sulfur dioxide (SO₂) - 99% reduction from [4.0 lbs. / MMBtu]

443 Capture Waste Heat for Electricity

The TCEQ will consider applications for the installation of systems that reduce flaring emissions and other site emissions by capturing waste heat to generate electricity solely for on-site services.

Applications under this category must meet the following minimum requirements:

- Project must reduce emissions of regulated pollutants from stationary sources. Regulated pollutants include but are not limited to:
 - criteria pollutants;
 - hazardous air pollutants (HAPs);

- any other pollutants regulated under the Federal Clean Air Act; and
- any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders.
- An applicant must demonstrate an achieved reduction from the baseline emissions adopted by the TCEQ for the relevant source. If one does not exist, the TCEQ shall adopt an appropriate baseline emissions level for comparison purposes. This is applicable only for the Advanced Clean Energy and New Technology project categories.
 - For an existing facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the historical emissions of that particular facility.
 - For a new facility, the projected emissions, with the advanced pollution control technologies installed, shall be compared to the baseline adopted by the TCEQ, detailed below. Only new facilities can use this baseline for comparison purposes. This baseline covers only those pollutants in section 4.2 of this RFGA that require a percentage reduction. Other pollutants in section 4.2 require a specific, target emissions rate, and are not covered by this baseline.
 - Baseline emissions levels:
 - Mercury (Hg) – 95% reduction from [1.75 * 10E-4] pounds per million British thermal units (lbs. / MMBtu)
 - Sulfur dioxide (SO₂) – 99% reduction from [4.0 lbs. / MMBtu]

5.0 ELIGIBLE COSTS

All projects under NTIG must follow the eligible costs criteria listed below. Stationary compressor engine projects include additional eligible cost criteria (see Section 4.4.1. above).

Projects selected for funding may be awarded a grant not to exceed 50% of the costs to implement the project. Applicants awarded a grant will be required to match the grant amount. This matching requirement will not be waived.

The TCEQ will not pay for any costs related to the operation and maintenance of the grant-funded technology. The TCEQ will also not pay for any projects required as Supplemental Environmental Projects (SEP). At the sole discretion of the TCEQ, equipment costs may be prorated for the project. Costs should be broken down so that partial funding could be considered for any project.

Activities for reimbursement are those that are directly related to the success of the project. All costs should be specifically detailed in the application. To be eligible for reimbursement, costs documented on reimbursement forms must clearly be allocated to activities under the NTIG grant and fall under the categories outlined in the Project Application Instructions and Proposal. **The grantee is responsible for ensuring any contractor's invoices are itemized and provide this level of information.**

Costs incurred prior to the opening of the grant round are not eligible for reimbursement. Costs incurred prior to the issuance of an NTP will be at the grantee's own risk and may not be considered for reimbursement, including the cost of preparation of the project application. However, the TCEQ reserves the right, in its sole discretion, to consider eligible certain costs incurred prior to the NTP or even prior to signature of a grant agreement. The TCEQ may consider those costs on a case-by-case basis if they have been clearly identified in the application and doing so will further the objectives of the NTIG program.

The TCEQ provides no assurances that a project will be awarded a grant, and the TCEQ has no liability for expenses incurred by an applicant prior to the execution of a grant contract.

All grant funds must be expended in a manner consistent with all applicable cost principles from TCEQ and from the Texas Comptroller Uniform Grant Management Standards (UGMS), Title 30, Section 14.10 and Title 34, Section 20 of the Texas Administrative Code (30 TAC §14.10, 34 TAC §§20.456-20.467). The TCEQ particularly encourages applicants to review the UGMS when developing application budgets.

Project funding may not be moved from one budget category to another without written approval by the TCEQ.

Non-Reimbursable Costs

The following costs will not be eligible for reimbursement as part of the total eligible project cost.

Indirect costs including:

- overhead, rent, utilities, general and administrative expenses;
- general office supplies, telephones, tools (wrenches, screwdrivers, etc.) and other overhead costs that are a cost of doing business;
- costs not directly attributable to the grant-funded work, including facility improvements and equipment not directly associated with the equipment; and
- the purchase of testing equipment.

For the purposes of this RFGA indirect costs will only be allowed, either as reimbursement or matching funds, for academic institutions and governmental agencies that have an audited or approved indirect rate.

The decision to allow indirect costs rests solely with the TCEQ. Indirect costs may be authorized only if the TCEQ determines that allowing indirect costs (in whole or in part) will significantly enhance the project's benefit to the state in terms of the schedule for or effectiveness of implementation, or similar factors directly related to the statutory objectives of the program. If indirect costs are authorized by the TCEQ, the grantee shall comply with all applicable cost principles from 30 TAC 14.10 and the UGMS.

Other costs including:

- permitting costs for TCEQ-issued permits;

- advertising or marketing costs, including the cost of the informational Internet webpage;
- costs to reimburse the salary of any lobbyist registered in Texas;
- costs related to the operation and maintenance of the grant-funded technology and projects required as SEPs;
- escalation, inflation, indeterminates and contingencies;
- project insurance; and
- food or drinks.

6.0 PROJECT IMPLEMENTATION

The primary purpose of this program is to facilitate the implementation of existing technologies that may be used to achieve approvable emission reductions under the TERP and/or State Implementation Plan. To that end, the TCEQ requires applicants to provide a substantial project implementation plan to maximize the likelihood that the technology will be implemented in Texas as soon as practicable after the date of the application for funding. The project implementation plan must also demonstrate the applicant's ability to operate and maintain the technology for the duration of the contract including the five-year operational reporting period after TCEQ has paid final reimbursement. Regardless of the implementation schedule contained within the project implementation plan, the TCEQ will require the grant-funded project to be implemented by April 30, 2022. The proposed project implementation plan must include project information and education to the public in the areas subject to public notice under federal and state permitting requirements. The implementation plan must also provide for a publicly accessible informational internet webpage.

The TCEQ will not require the repayment of grant money except in the case of non-compliance with certain grant requirements. It is a grant requirement that a grantee proceed in good faith with all steps towards project implementation, as outlined in its project proposal, and with all other reasonable steps necessary to ensure the project's successful implementation. The TCEQ will monitor the grantee's progress with its implementation plan with quarterly progress reports. Additionally, the TCEQ, the Texas State Auditor's Office, and the Texas Comptroller of Public Accounts may audit a grantee's progress at any time during the grant. If the TCEQ determines that a grantee is not making sufficient progress towards the goal of implementation the TCEQ may require a revised implementation plan to demonstrate how implementation will be achieved given the current circumstances of the project. If, after reviewing the revised implementation plan, the TCEQ determines in its reasonable judgment that implementation is no longer likely, or the grantee so advises the TCEQ, the TCEQ may invoke the grant contract provisions governing failure to implement.

7.0 CONFIDENTIALITY OF TEST RESULTS

All information received by the TCEQ in connection with the application for a grant and the completion of grant activities, including testing to establish the actual quantities of air contaminants being emitted into the atmosphere becomes the

property of the State of Texas and, as such, is subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552. Application materials such as the budget and implementation plan cannot be held confidential.

Any information regarding testing, including summaries of test results, will be subject to public disclosure. The TCEQ also intends to publish reports and test results on its website.

If the grantee believes that there is any confidential and/or proprietary information contained in its test results or any other material submitted to the TCEQ, the grantee must follow the procedures laid out in Appendix C of this RFGA for the submittal of confidential and/or proprietary information in its application.

8.0 INTELLECTUAL PROPERTY AND PATENTS

The TCEQ does not intend to fund the development of any technologies under the NTIG program.

A sample contract will be available on the NTIG webpage at www.terpgrants.org. Applicants should download and review a copy of the sample contract as soon as it is available.

If grant funds awarded through this program are used to develop a technology which is later patented, including the payment of fees associated with obtaining the patent, all ownership rights in any technology developed will remain with the grantee. However, the TCEQ will require the grantee to grant the TCEQ a permanent, royalty-free license pursuant to the terms and conditions in the sample contract (see Intellectual Property provision), so that the TCEQ would not subsequently be required to pay license fees for its own use of a product created or developed with the use of TCEQ funding. The same requirements apply to other forms of intellectual property protection, such as computer software code protected by copyright.

9.0 PROOF OF INSURANCE

The applicant will be required to supply proof that it is insured for project completion, replacement, and liability. Project completion/replacement insurance shall be sufficient to cover lost equipment and time/effort in case of a disaster. The sample contract shell contains examples of the types and amounts of insurance required for a project funded under the NTIG program. These examples are given for illustrative purposes only and are not intended to comprise the final, comprehensive list of insurance requirements, which are subject to negotiation depending on the risk concerns of a specific project.

10.0 ADDITIONAL REQUIREMENTS

Additional criteria that apply to activities funded under this program are discussed below:

- The TCEQ may make selection for funding contingent upon agreement by the applicant with additional conditions or changes to the project pertaining

to equipment, logistical considerations, expenses and/or other program elements.

- The TCEQ may select parts of a proposal for funding and may offer to fund less than requested in the application.
- Based on the number of applications received, and the expected available funding, the TCEQ may establish a cut-off level for the project scores, under which projects will not be funded or may be held until a later date.
- A rating of marginal or unsatisfactory performance on a current or past contract may be used as a basis to lower or otherwise change the priority and ranking of an application.
- The TCEQ is not obligated to fund a proposal from an applicant that is considered to be high risk, based on the financial condition of the applicant and other risk factors as determined by the TCEQ. The TCEQ may also include additional controls in a contract to address the risks that may be involved with providing a grant to an applicant considered to be high risk.
- The TCEQ may consider an applicant's environmental compliance in making a funding decision.
- The TCEQ is not obligated to fund a proposal from an applicant with an overall compliance history classification of Unsatisfactory (55.01 or greater) on the TCEQ's Compliance History Database for applicants that are subject to the rating.
- The TCEQ may give preference to recipients who meet or exceed any state or federal environmental standards, including voluntary standards, relating to air quality.
- The TCEQ is not obligated to fund a proposal from an applicant under federal, state, or local enforcement action of violation of environmental laws or permit conditions.

11.0 MARKETABLE EMISSION REDUCTION CREDITS

A project involving implementation of emission reduction technology that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless:

- the project includes the transfer of the reductions that would otherwise be marketable credits to the State Implementation Plan or the owner or operator as provided by Section 386.056, Texas Health and Safety Code (THSC); and
- the reductions are permanently retired.

12.0 SELECTION SCORING CRITERIA

This section includes the criteria the TCEQ will use to score projects in each category under this grant round, according to the information submitted by the applicant in the application. Only one project per application may be submitted.

In addition to the scoring criteria listed below, the TCEQ may give preference to projects that:

- involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in this state;
- contain an energy efficiency component;
- include the use of solar, wind, or other renewable energy sources; or
- recover waste heat from the combustion of natural resources and use the heat to generate electricity.

Projects that include more than one of these criteria will be given a greater preference in the selection for award of a grant under this program.

12.1 ELECTRICITY STORAGE PROJECTS FROM FACILITIES AND OTHER STATIONARY SOURCES

Electricity storage projects from facilities and other stationary sources must meet the minimum eligibility criteria listed in Section 4.1 of this RFGA. Electricity Storage projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)	Scoring Criteria
25 points	Program Alignment: Up to 25 points may be awarded based on how clearly the proposed project is aligned with the NTIG program. Specifically, the project will be evaluated on the emissions reduction potential, the implementation plan, the proposed project's relation to renewable energy, the proposed project's ability to make the stored energy available during peak energy use, and the extent to which the proposed project would advance NTIG goals.
20 points	Energy Storage Capacity (MWh): Up to 20 points may be awarded based on the initial rated capacity of the storage technology or the maximum theoretical amount of electricity/energy the technology can store.
10 points	Technology Lifetime: Up to 10 points may be awarded based on the number of complete charge/discharge cycles the storage technology can perform before its nominal (actual) capacity falls below 80% of its initial rated capacity.
10 points	Storage System Rated Power: Up to 10 points may be awarded based on the maximum power that the storage system would provide. (Some storage systems can provide additional power in excess of the plant's "nominal" rating for short periods of time.)

- 10 points** **Cycle Efficiency:** Up to **10 points** may be awarded based on the amount of energy output from the storage technology per unit of energy input.
- 10 points** **Storage Response Time:** Up to **10 points** may be awarded based on the total length of time for the storage technology to bring its output from zero to its rated power output. **Duration of Discharge:** Up to 10 points may be awarded based on the total length of time that the storage technology can discharge, at its rated power output, without recharging.
- 10 points** **Cost Per 1 kWh Stored:** The cost-effectiveness of the technology is determined using two methods. Applicants must provide estimates for both methods described below and show all computations. The TCEQ will score this item based on the information provided in the Project Application Instructions and Proposal, Section 3. Divide the total implementation costs* by the maximum storage capacity of the technology and express the cost effectiveness in dollars per unit power, e.g., \$ dollars/kW; and Divide the total implementation costs* by the maximum, cumulative amount of delivered electricity, based on the technology's cycle efficiency, useful life, and expected number of charge/discharge cycles across its useful life. Express the cost-effectiveness in dollars per unit energy, e.g., \$ dollars/kWh.
- *total implementation costs: the purchase price of the proposed technology plus the cost of the installation, labor, capital purchases, or other costs directly related to the implementation of the proposed technology.*
- 5 points** **Applicant Qualifications (including previous experience with similar types of projects):** Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners.
- (100)** **Safety Issues:** The applicant must complete Form 4: Health/Safety and Environmental Impact Certification of the NTIG application (20686) and respond to the Safety and Environmental Impact questions therein. Up to **100 points** may be deducted if this information is inadequate or if safety issues raise potential concerns.
- (100)** **Creation of Other Environmental Problems:** The applicant must include a full discussion of any potential impacts on the environment and how they are addressed in the Project Proposal. Up to **100 points** may be deducted depending on how the technology will impact other areas of the environment.

12.2 ADVANCED CLEAN ENERGY PROJECTS FOR NEW OR MODIFIED SOURCES

Advanced Clean Energy projects for new and modified sources must meet the minimum eligibility criteria listed in Section 4.2 of this RFGA. Eligible Advanced Clean Energy projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)	Scoring Criteria
30 points	<p>Program Alignment: Up to 30 points may be awarded based on how clearly the proposed project is aligned with the NTIG program according to the following criteria:</p> <ul style="list-style-type: none">• <i>Strength of the Implementation Plan.</i> Up to 10 points may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.• <i>Compliance History.</i> Up to 10 points may be awarded based on the compliance history of the applicant and other related facilities.• <i>NTIG & Air Quality Goals.</i> Up to 10 points may be awarded based on the extent to which project advances NTIG and air quality goals outlined in Section 1.2 of this RFGA.
20 points	<p>Emissions Reductions Capability of Pollution Control Technologies: Up to 20 points may be awarded based on the following criteria:</p> <ul style="list-style-type: none">• <i>Pollution Control Technology.</i> Up to 10 points may be awarded based on the strength of the evidence provided by the applicant that the proposed technology is capable of providing a significant reduction in emissions. The level of validation of the proposed technology will be considered in this score (see examples below). <p>Examples of validation include, but are not limited to, the following:</p> <ul style="list-style-type: none">○ <i>Tested</i> – emissions reductions capability of each technology has been verified or certified by the EPA, or has been tested in a laboratory that meets EPA requirements and standards;○ <i>Guaranteed</i> – by the manufacturer of the technology; and○ <i>Experimental</i> – each of the technologies may have been tested, but testing was not conducted in a

**Maximum
Points (100)**

Scoring Criteria (Continued)

laboratory that meets EPA requirements and standards.

- **Net Emissions Reductions.** Up to **10 points** may be awarded based on the capability of the project to reduce emissions of regulated emissions.

15 points

Cost-Effectiveness of Project: Using the formula below, divide the annual grant amount requested, averaged over 5 years of operation, by the sum of the projected emissions reduced of all Advanced Clean Energy projects pollutants (see section 4.2 of this RFGA) in tons-per-year (TPY), over a one-year period. Be sure to multiply the TPY amounts by the appropriate weighting factor given in the formula below:

Formula for cost-effectiveness calculation:

$$\frac{(\text{Total Grant Amount Requested } \$) / 5 \text{ years}}{(1 * \text{TPY of NO}_x \text{ reduced}) + (1000 * \text{TPY of Hg reduced}) + (0.8 * \text{TPY of SO}_2 \text{ reduced}) + (0.6 * \text{TPY of PM reduced}) + (0.01 * \text{TPY of CO}_2 \text{ captured})}$$

The projected emissions reductions must be calculated as only those reductions resulting from the implementation of the technologies proposed in this grant application.

10 points

Potential CO₂ Capture and Sequester: The TCEQ may award **2 points** for every 10% capture of CO₂ greater than the 50% requirement for the Advanced Clean Energy projects category. For example, a project that captures 61% of the CO₂ would receive **2 points**, since the initial 50% capture is a minimum requirement.

10 points

Project Location: Up to **10 points** may be awarded based on the project location and status of the facility. The matrix below indicates the scoring possibilities for these criteria. Modifications to existing facilities in Texas nonattainment areas will receive maximum points for Project Location (See Appendix A for list of Texas nonattainment areas and affected counties).

**Maximum
Points (100)**

Scoring Criteria (Continued)

Project scoring (Yes/ No)	Nonattainment area	Affected county	Neither
Modification to an existing facility	10	5	0
New facility	4	2	0

10 points

Testing Protocol: The score assigned for Testing Protocol will depend on whether a testing protocol is identified in the application and if one is present, the extent to which it has been developed and approved (e.g., by the EPA). Testing may include, but is not limited to, stack sampling and/or continuous emissions monitoring.

Testing protocols must be developed considering a broad range of interests (the original equipment manufacturer, the developer of the new technology, testing entity, potential manufacturers or installers of the new equipment, etc.) which must reach agreement about how the test will be conducted.

5 points

Applicant Qualifications (including previous experience with similar types of projects): Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners. The TCEQ will especially look for experience with similar types of projects and experience conducting emissions testing.

(100)

Safety Issues: The applicant must complete Form 4: Health/Safety and Environmental Impact Certification of the NTIG application (20686) and respond to the Safety and Environmental Impact questions therein. Up to **100 points** may be deducted if this information is inadequate or if safety issues raise potential concerns.

(100)

Creation of Other Environmental Problems: The applicant must include a full discussion of any potential impacts on the environment and how they are addressed in the Project Proposal. Up to 100 points may be deducted depending on how the technology will impact other areas of the environment.

12.3 NEW TECHNOLOGY PROJECTS THAT REDUCE EMISSIONS OF REGULATED POLLUTANTS FROM STATIONARY SOURCES

New technology projects that reduce emissions of regulated pollutants from stationary sources must meet the minimum eligibility criteria listed in Section 4.3 of this RFGA. Eligible new technology projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)	Scoring Criteria
30 points	<p>Program Alignment: Up to 30 points may be awarded based on how clearly the proposed project is aligned with the NTIG program according to the following criteria:</p> <ul style="list-style-type: none">• <i>Strength of the Implementation Plan.</i> Up to 10 points may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.• <i>Compliance History.</i> Up to 10 points may be awarded based on the compliance history of the applicant and other related facilities.• <i>NTIG & Air Quality Goals.</i> Up to 10 points may be awarded based on the extent to which project advances NTIG and air quality goals outlined in Section 1.2 of this RFGA.
20 points	<p>Emissions Reductions Capability of Pollution Control Technologies: Up to 20 points may be awarded based on the following criteria:</p> <ul style="list-style-type: none">• <i>Pollution Control Technology.</i> Up to 10 points may be awarded based on the strength of the evidence provided by the applicant that the proposed technology is capable of providing a significant reduction in emissions. The level of validation of the proposed technology will be considered in this score (see examples below). <p>Examples of validation include, but are not limited to, the following:</p> <ul style="list-style-type: none">○ <i>Tested</i> – emissions reductions capability of each technology has been verified or certified by the EPA, or has been tested in a laboratory that meets EPA requirements and standards;○ <i>Guaranteed</i> – by the manufacturer of the technology; and

**Maximum
Points (100)**

Scoring Criteria (Continued)

- **Experimental** – each of the technologies may have been tested, but testing was not conducted in a laboratory that meets EPA requirements and standards.

Net Emissions Reductions. Up to **10 points** may be awarded based on the capability of the project to reduce emissions of regulated emissions.

15 points

Cost-Effectiveness of Project: Using the formula below, divide the annual grant amount requested, averaged over 5 years of operation, by the sum of the projected emissions reduced of all regulated pollutants (see section 4.3 of this RFGA), in tons-per-year (TPY), over a one-year period. Be sure to multiply the TPY amounts by the appropriate factor given in the formula below. If the project does not reduce all of the pollutants in the formula below, then perform calculations only including the pollutants relevant to the project. If the project reduces a pollutant not mentioned in the formula below, then apply a factor of “1” to the TPY amount of that pollutant.

Formula for cost-effectiveness calculation:

$$\frac{(\text{Total Grant Amount Requested } \$) / 5 \text{ years}}{(1*\text{TPY of NO}_x\text{ reduced}) + (1000*\text{TPY of Hg reduced}) + (0.8*\text{TPY of SO}_2\text{ reduced}) + (0.6*\text{TPY of PM reduced}) + (1*\text{TPY of other pollutants reduced})}$$

The projected emissions reductions must be calculated as only those reductions resulting from the implementation of the technologies proposed in this grant application.

10 points

Regulated Pollutants Reduced: Up to **10 points** may be awarded based on the number of different, regulated pollutants reduced by this proposed project. To receive points, a pollutant must be a regulated pollutant (see section 4.3 of this RFGA).

10 points

Project Location: Up to **10 points** may be awarded based on the project location and status of the facility. The matrix below indicates the scoring possibilities for these criteria. Modifications to existing facilities in Texas nonattainment areas will receive maximum points for project location (See Appendix A for list of Texas nonattainment areas and affected counties).

**Maximum
Points (100)**

Scoring Criteria (Continued)

Project scoring (Yes/ No)	Nonattainment area	Affected county	Neither
Modification to an existing facility	10	5	0
New facility	4	2	0

10 points

Testing Protocol: The score assigned for Testing Protocol will depend on whether a testing protocol is identified in the application and if one is present, the extent to which it has been developed and approved (e.g., by the EPA). Testing may include, but is not limited to, stack sampling and/or continuous emissions monitoring. Testing protocols must be developed considering a broad range of interests (the original equipment manufacturer, the developer of the new technology, testing entity, potential manufacturers or installers of the new equipment, etc.) which must reach agreement about how the test will be conducted.

5 points

Applicant Qualifications (including previous experience with similar types of projects): Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners. The TCEQ will especially look for experience with similar types of projects and experience conducting emissions testing.

(100)

Safety Issues: The applicant must complete Form 4: Health/Safety and Environmental Impact Certification of the NTIG application (20686) and respond to the Safety and Environmental Impact questions therein. Up to **100 points** may be deducted if this information is inadequate or if safety issues raise potential concerns.

(100)

Creation of Other Environmental Problems: The applicant must include a full discussion of any potential impacts on the environment and how they are addressed in the Project Proposal. Up to **100 points** may be deducted depending on how the technology will impact other areas of the environment.

12.4 NEW TECHNOLOGY PROJECTS THAT REDUCE EMISSIONS FROM UPSTREAM AND MIDSTREAM OIL AND GAS INDUSTRY ACTIVITIES

New technology projects that reduce emissions from upstream and midstream oil and gas industry activities must meet the minimum eligibility criteria listed in Section 4.4 of this RFGA. Eligible projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)	Scoring Criteria
30 points	<p>Program Alignment: Up to 30 points may be awarded based on how clearly the proposed project is aligned with the NTIG program according to the following criteria:</p> <ul style="list-style-type: none">• <i>Strength of the Implementation Plan.</i> Up to 10 points may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.• <i>Compliance History.</i> Up to 10 points may be awarded based on the compliance history of the applicant and other related facilities.• <i>NTIG & Air Quality Goals.</i> Up to 10 points may be awarded based on the extent to which project advances NTIG and air quality goals outlined in Section 1.2 of this RFGA.
20 points	<p>Emissions Reductions Capability of Pollution Control Technologies: Up to 20 points may be awarded based on the following criteria:</p> <ul style="list-style-type: none">• <i>Pollution Control Technology.</i> Up to 10 points may be awarded based on the strength of the evidence provided by the applicant that the proposed technology is capable of providing a significant reduction in emissions. The level of validation of the proposed technology will be considered in this score (see examples below). <p>Examples of validation include, but are not limited to, the following:</p> <ul style="list-style-type: none">○ <i>Tested</i> – emissions reductions capability of each technology has been verified or certified by the EPA, or has been tested in a laboratory that meets EPA requirements and standards;○ <i>Guaranteed</i> – by the manufacturer of the technology; and

**Maximum
Points (100)**

Scoring Criteria (Continued)

- **Experimental** – each of the technologies may have been tested, but testing was not conducted in a laboratory that meets EPA requirements and standards.

Net Emissions Reductions. Up to **10 points** may be awarded based on the capability of the project to reduce emissions of regulated emissions.

15 points

Cost-Effectiveness of Project: Using the formula given below, divide the annual grant amount requested, averaged over 5 years of operation, by the sum of the projected emissions reduced of all regulated pollutants in tons-per-year (TPY), over a one-year period. Be sure to multiply the TPY amounts by the appropriate factor given in the formula below. If the project does not reduce all of the pollutants in the formula below, then perform calculations only including the pollutants relevant to the project. If the project reduces a pollutant not mentioned in the formula below, then apply a factor of “1” to the TPY amount of that pollutant.

Formula for cost-effectiveness calculation:

(Total Grant Amount Requested \$) / 5 years

$$\frac{(1*\text{TPY of NO}_x \text{ reduced}) + (0.8*\text{TPY of VOC reduced}) + (0.8*\text{TPY of SO}_2 \text{ reduced}) + (0.6*\text{TPY of PM reduced}) + (100*\text{TPY of HAPs reduced}) + (1000*\text{TPY of Heavy Metals reduced})}{}$$

The projected emissions reductions must be calculated as only those reductions resulting from the implementation of the technologies proposed in this grant application. The TCEQ will score this item based on the information provided for NTIG application form 20574c.

10 points

Regulated Pollutants Reduced: Up to **10 points** may be awarded based on the number of different, regulated pollutants reduced by this proposed project. To receive points, a pollutant must be a regulated pollutant (see section 4.4 of this RFGA).

10 points

Project Location: Up to **10 points** may be awarded to Oil and Gas projects located within the Clean Transportation Zone (CTZ) counties (See Appendix B for a list of counties located within the CTZ).

Maximum Points (100)	Scoring Criteria (Continued)
10 points	Testing Protocol: The score assigned for testing protocol will depend on whether a testing protocol is identified in the application and if one is present, the extent to which it has been developed and approved (e.g., by the EPA). Testing may include, but is not limited to, stack sampling and/or continuous emissions monitoring. Testing protocols must be developed considering a broad range of interests (the original equipment manufacturer, the developer of the new technology, testing entity, potential manufacturers or installers of the new equipment, etc.) which must reach agreement about how the test will be conducted.
5 points	Applicant Qualifications (including previous experience with similar types of projects): Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners. The TCEQ will especially look for experience with similar types of projects and experience conducting emissions testing.
(100)	Safety Issues: The applicant must complete Form 4: Health/Safety and Environmental Impact Certification of the NTIG application (20686) and respond to the Safety and Environmental Impact questions therein. Up to 100 points may be deducted if this information is inadequate or if safety issues raise potential concerns.
(100)	Creation of Other Environmental Problems: The applicant must include a full discussion of any potential impacts on the environment and how they are addressed in the Project Proposal. Up to 100 points may be deducted depending on how the technology will impact other areas of the environment.

13.0 PROGRAM GUIDELINES AND APPLICATION PROCESS

To be eligible for funding consideration, grant applications must be prepared and submitted in accordance with this notice, the guidelines, and the instructions with the application forms.

Incomplete applications may delay the review process or be rejected as ineligible or unresponsive.

All applications for funding must be administratively and technically complete according to the NTIG application instructions and must be submitted within the required deadline.

NOTE: The sample contract contains terms and conditions which are standard provisions for grants awarded in the NTIG program. The TCEQ may negotiate terms and conditions with the grantee under circumstances which may allow for certain modifications or additions. Applicants **MUST** identify in the application any concerns with terms and conditions in the sample contract.

13.1 REQUIRED FORMS

Application forms may be viewed and downloaded from the TERP website www.terpgrants.org. Copies of the forms may also be obtained by calling the TERP toll free number at (800) 919-TERP (8377) or sending an email to TERP@tceq.texas.gov.

13.2 APPLICATION SUBMISSION

To apply for funding, applicants must complete and submit a grant application and required attachments. Applications may be received by the TCEQ through USPS mail, express mail, or electronic mail to TERP@tceq.texas.gov. If submitting via mail, the completed forms must be submitted to one of the addresses below. Refer to Appendix C of this document for guidance for submitting confidential information.

Standard Mail:

Texas Commission on Environmental Quality
Air Grants Division
NTIG, MC-204
P.O. Box 13087
Austin, TX 78711-3087

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division
NTIG, MC-204
12100 Park 35 Circle
Austin, TX 78753

13.3 DEADLINE FOR SUBMISSION

Applications will be accepted for consideration during this grant period only if received and date stamped on the premises of the TCEQ, TERP, Building F, Room 1301 (12100 Park 35 Circle, Austin, TX, 78753) as directed herein or via electronic mail to TERP@tceq.texas.gov no later than **5:00 p.m. Central Time, October 7, 2020**. Applications received in the TCEQ mail room on this date are not guaranteed to be delivered to Room 1301 by the required deadline, so applicants are encouraged to plan their submissions accordingly.

13.4 PUBLIC INFORMATION

Upon submission, all proposals become the property of the State of Texas and as such become subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552. Any information the applicant wishes to protect from public disclosure must be clearly marked “**Confidential/Proprietary: inform applicant & seek AG opinion before releasing**” on every page. Additional information regarding Confidential Information can be found in Appendix C, Confidential Information.

13.5 ADDITIONAL PROGRAM INFORMATION

Individuals desiring further information are encouraged to call the TERP hotline at (512) 239-4950 or 1-800-919-TERP (8377) or send an email to TERP@tceq.texas.gov.

14.0 APPLICATION REVIEW AND SELECTION PROCESS

The TCEQ will review the application's eligibility and completeness and may notify applicants of any needed changes or additional information.

15.0 GRANT AWARD PROCESS

15.1 CONTRACT EXECUTION

Entities selected to receive a grant will be notified by phone or other means of their selection and the amount of grant funds that may be awarded. Entities selected to receive grant funding will be required to sign a contract with the TCEQ if they wish to proceed with the grant. All services or work carried out under a contract awarded as a result of this RFGA must be completed within the scope, time frame, and funding limitations specified in the sample contract.

Upon signature and execution of the contracts by the TCEQ, a signed contract will be returned to the applicant, at which time the grant will be considered awarded.

15.2 NOTICE TO PROCEED

In order to ensure that all revenue received by the TCEQ for this program is used, the TCEQ may select projects and award contracts that may ultimately exceed the amount of revenue received. Grant contracts will include a NTP clause and will specify that reimbursements are contingent upon the TCEQ receiving sufficient revenue to cover the grant. The TCEQ will provide a written NTP to the grantee when/if revenue is available to cover the grant. Any expenses incurred by the grantee prior to receiving the NTP will be at the grantee's own risk.

The execution of a contract will not be the final commitment by the TCEQ to provide the funds. The NTP may also include authorization for a lesser reimbursement amount than originally approved in the contract, based on the amount of funds available.

15.3 REIMBURSEMENT

All grants are paid on a reimbursement basis. To receive grant funds, all project costs must have been incurred and paid, and grant-funded equipment must have been received, on or before the end of the Purchase Expiration Date indicated in the contract. All final requests for reimbursement (RFR) must be received by TCEQ within 45 days after The Purchase Expiration Date. Any expenses incurred by a grant recipient prior to receiving a fully executed contract will be at the grant recipient's own risk. TCEQ may retain up to 25% of the total reimbursement funds pending the successful completion of the Implementation Period of the project. The RFR form is available by calling TERP staff at (800) 919-TERP (8377) or sending an email to TERP@tceq.texas.gov. The grantee must notify the TCEQ in writing if a project is expected to require a longer period of time to be completed.

The grantee must complete and obtain from the TCEQ final written approval/acceptance of all project activities and deliverables prior to payment of the final reimbursement request.

15.4 GRANTEE REPORTING

Reports on the progress of completing the project activities will be required on a quarterly basis, or as specified by the contract, even if no expenses are submitted for reimbursement during that time. Reports should be easily understood by the general public although technical attachments may also be included as necessary.

All reports, including quarterly and final implementation and operational reports will be posted to the TCEQ website. Reports should include a brief overview of the project, identification number, date of the report, the status of the project at the end of the reporting period, and a forecast of the work remaining to be performed. Any issues that have been identified that may affect the budget, timeline, or implementation of the project should be brought to the attention of the Grant Manager as soon as possible.

Applicants must notify the TCEQ of any termination or change in the project.

15.5 CONTRACTOR EVALUATION

The TCEQ may prepare a written evaluation of the performance of the grant recipient upon completion of the terms of the grant contract, or more frequently, as deemed necessary by the TCEQ. A copy of the evaluation will be provided to the grant recipient and a copy retained in the TCEQ's contract files.

The content of the evaluation shall be wholly within the discretion of the TCEQ. The grant recipient may provide a written response to the evaluation, which will be incorporated into the evaluation. The grant recipient waives any claim for damages against TCEQ for the evaluation. A rating of marginal or unsatisfactory performance may be used as a basis to lower or otherwise change the priority and ranking of a future application.

16.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS

The TCEQ may, at its discretion, retain applications not selected for funding under this notice for consideration under a new notice issued for a future grant round. Applicants will be notified by the TCEQ if their application is retained for consideration under a future grant round and will be given the option of withdrawing their application from consideration.

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APPENDIX A: LIST OF TEXAS NONATTAINMENT AREAS AND AFFECTED COUNTIES

Nonattainment Areas and Affected Counties

Austin Area:

Bastrop
Caldwell
Hays
Travis
Williamson

Beaumont-Port Arthur:

Hardin
Jefferson
Orange

Corpus Christi Area:

Nueces
San Patricio

Dallas-Fort Worth:

Collin
Dallas
Denton
Ellis
Henderson
Hood
Hunt
Johnson
Kaufman
Parker
Rockwall
Tarrant
Wise

El Paso Area:

El Paso

Houston-Galveston-Brazoria:

Brazoria
Chambers
Fort Bend
Galveston
Harris
Liberty
Montgomery
Waller

San Antonio Area:

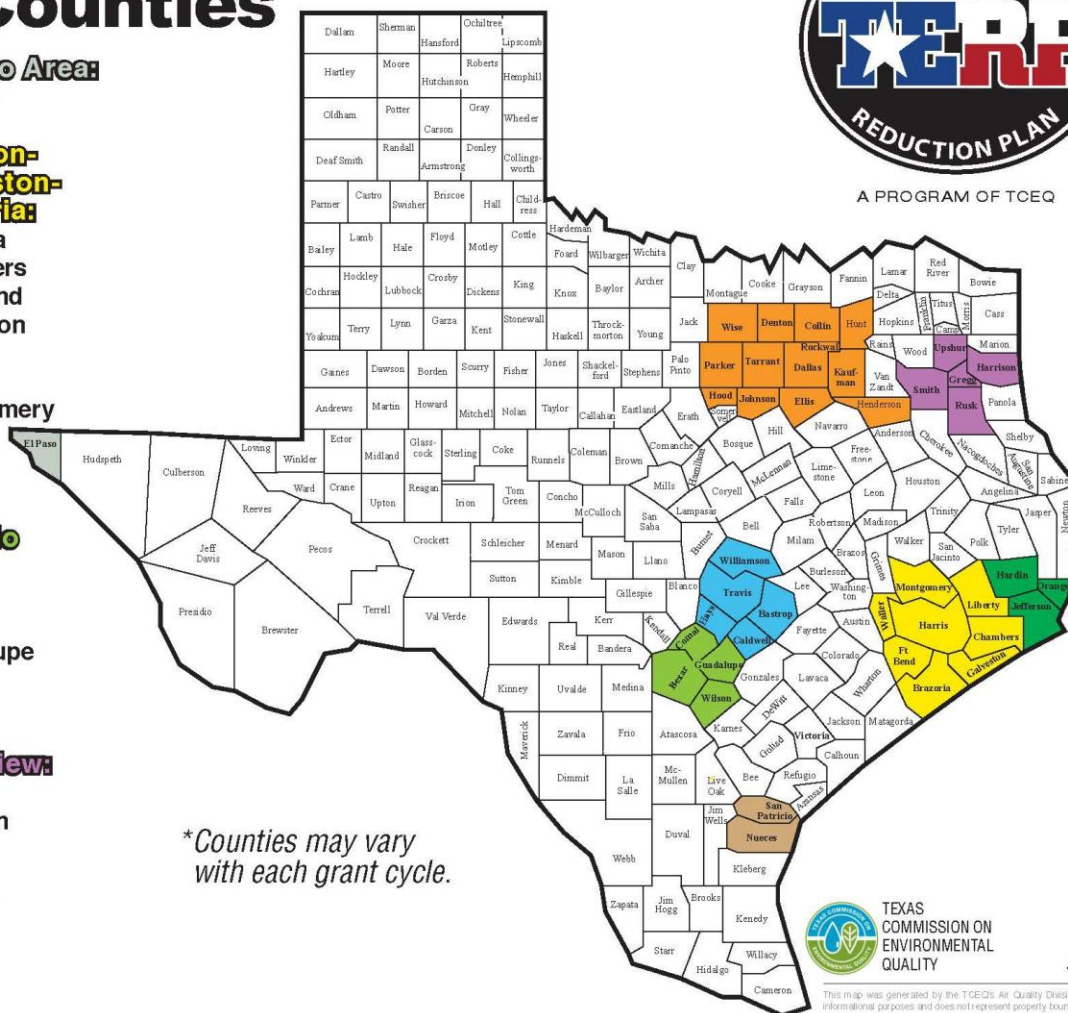
Bexar
Comal
Guadalupe
Wilson

Tyler-Longview:

Gregg
Harrison
Rusk
Smith
Upshur



A PROGRAM OF TCEQ



TEXAS
COMMISSION ON
ENVIRONMENTAL
QUALITY

July 2019

This map was generated by the TCEQ's Air Quality Division solely for informational purposes and does not represent property boundaries. If you have questions concerning this map, contact the division at 505-919-TERP.

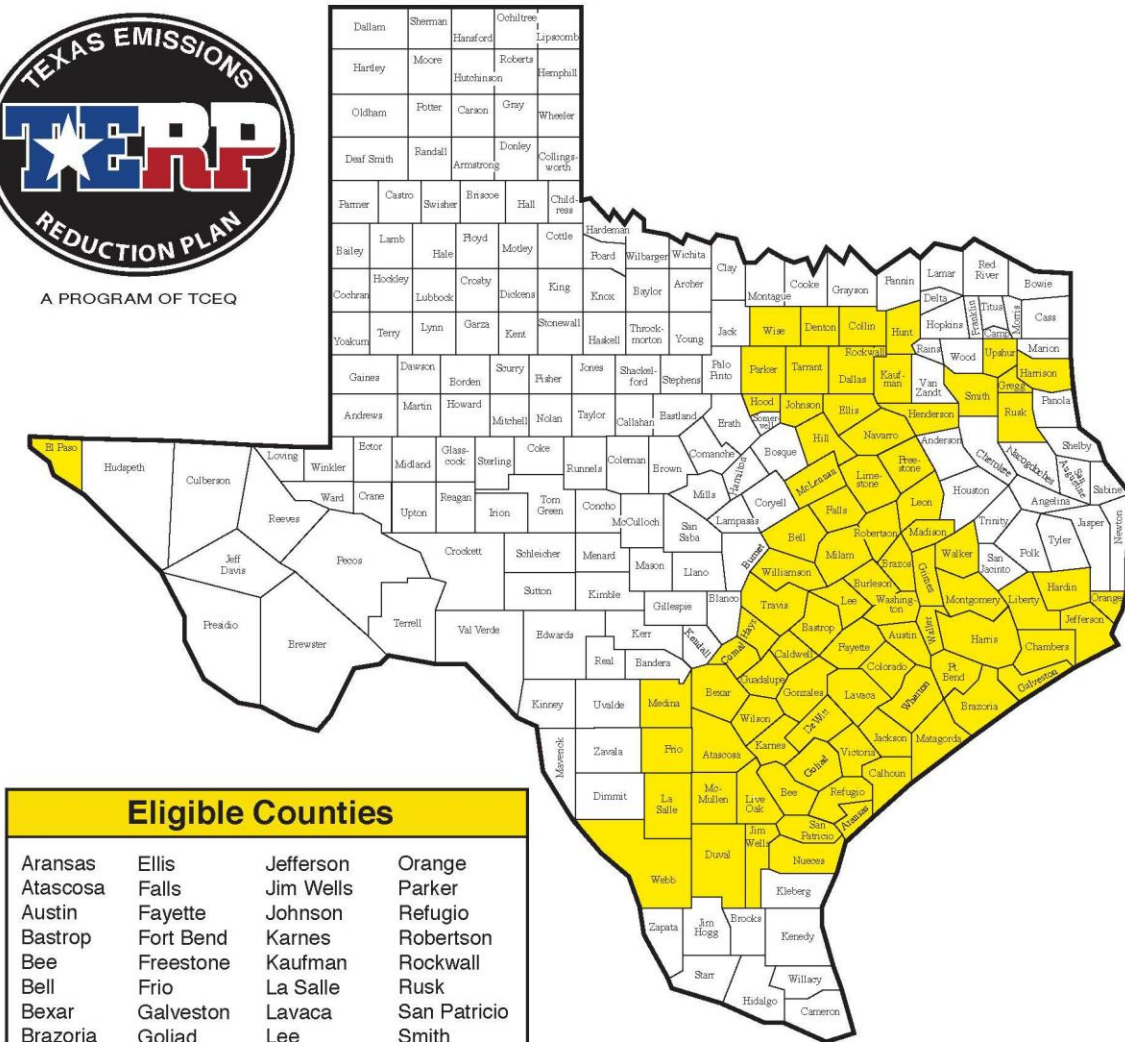
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APPENDIX B: TEXAS CLEAN TRANSPORTATION ZONE

Clean Transportation Zone



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Eligible Counties

Aransas	Ellis	Jefferson	Orange
Atascosa	Falls	Jim Wells	Parker
Austin	Fayette	Johnson	Refugio
Bastrop	Fort Bend	Karnes	Robertson
Bee	Freestone	Kaufman	Rockwall
Bell	Frio	La Salle	Rusk
Bexar	Galveston	Lavaca	San Patricio
Brazoria	Goliad	Lee	Smith
Brazos	Gonzales	Leon	Tarrant
Burleson	Gregg	Liberty	Travis
Caldwell	Grimes	Limestone	Upshur
Calhoun	Guadalupe	Live Oak	Victoria
Chambers	Hardin	Madison	Walker
Collin	Harris	Matagorda	Waller
Colorado	Harrison	Medina	Washington
Comal	Hays	McLennan	Webb
Dallas	Henderson	McMullen	Wharton
Denton	Hill	Milam	Williamson
DeWitt	Hood	Montgomery	Wilson
Duval	Hunt	Navarro	Wise
El Paso	Jackson	Nueces	



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Nov 2019

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APPENDIX C: CONFIDENTIAL INFORMATION DIRECTIONS

Do not submit any confidential/proprietary information anywhere with this application, except as instructed below. You must agree that you waive any claim of confidentiality you may have in any information submitted within any part of the application forms, budget, and implementation plan even if you have marked it confidential.

Applicant acknowledges that TCEQ is required by law to post on its public website information about this RFGA and any awarded contracts. Applicant acknowledges its application is subject to disclosure pursuant to the Texas Public Information Act.

Any proprietary or business confidential information the applicant wishes to protect from public disclosure **MUST** be clearly marked **“Confidential/ Proprietary: inform applicant & seek AG opinion before releasing”** on *every* page. Applicant must also place confidential or proprietary information in a **separate section** of the application labeled “Confidential/ Proprietary Information”. It is the applicant’s obligation to both mark information it believes is confidential or proprietary and to only submit it in the Confidential/Proprietary Information section. Such information should not be submitted anywhere else in the application.

Any information that is so marked and submitted, if requested under a public information request, will be sent by the TCEQ to the Texas Office of the Attorney General (AG) for a decision on whether it may be withheld. TCEQ will timely notify applicant of the request. Applicant may submit arguments to the AG if it believes the information should not be released. TCEQ will not submit arguments on behalf of the applicant.